

Message Text

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PAGE 01 NEW DE 05165 081039Z

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ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 /018 W
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R 080706Z APR 76
FM AMEMBASSY NEW DELHI
TO USDOC WASHDC
INFO SECSTATE WASHDC 5169
AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMCONSUL MADRAS

UNCLAS NEW DELHI 5165

E.O. 11652: N/A

TAGS: BEXP IN

SUBJECT: INVESTMENT OPPORTUNITY: SMS ASSOCIATES PRIVATE LTD.
SEEKS U.S. TECHNOLOGY TO PRODUCE PACEMAKERS

1. SMS ASSOCIATES PRIVATE LIMITED, D1/42 VASANT VIHAR,
NEW DELHI 110047 A TECHNICAL CONSULTANT TO HARYANA STATE INDUSTRIAL
DEVELOPMENT CORPORATION LIMITED (HSIDC), CHANDIGARH, HAS
APPROACHED THE EMBASSY FOR ASSISTANCE IN OBTAINING TECHNICAL
KNOW-HOW FROM CARDIAC PACEMAKERS, INC. (CPI), 140 RED FOX ROAD,
ST. PAUL, MINNESOTA 55112, FOR THE
MANUFACTURE OF IMPLANTABLE PACEMAKERS. HSIDC HAS ALREADY OBTAINED
THE FEDERAL GOVERNMENT'S PERMISSION TO ESTABLISH THIS FACILITY.

2. HSIDC IS A HARYANA STATE GOVERNMENT-OWNED AND MANAGED
CORPORATION. IT PROMOTES INDUSTRIAL VENTURES ON ITS OWN AS WELL
AS IN COLLABORATION WITH PRIVATE BUSINESS ENTREPRENEURS. HSIDC
IS AMONG THE MORE PROGRESSIVE PUBLIC SECTOR CORPORATIONS
THAT ARE ENGAGED IN THE ESTABLISHMENT OF SMALL, MEDIUM AND LARGE
SIZED INDUSTRIAL PROJECTS IN THE STATE OF HARYANA. THE CORPORATION
IS ALREADY OPERATING SEVERAL INDUSTRIAL VENTURES INCLUDING THE
PRODUCTION OF TELEVISIONS, BEER, DETERGENTS, ETC.

3. THE PRODUCTION OF CARDIAC PACEMAKERS WILL BE UNDERTAKEN BY A
NEW COMPANY CALLED HARYANA MEDICAL INSTRUMENTS LIMITED (HMI),
CHANDIGARH. HMI IS A JOINT-SECTOR PARTNER OF HSIDC. FINANCIAL
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PAGE 02 NEW DE 05165 081039Z

STRUCTURE OF HMI PROJECT WILL BE AS FOLLOWS: HSIDC-26 PERCENT;

PRIVATE LOCAL PARTNER (MR. H.S. SIDHU)-25 PERCENT, AND UBSCRIP
TION TO THE GENERAL PUBLIC - 49 PERCENT.

4. HMI'S MANAGING DIRECTOR, H.S. SIDHU, RECEIVED A
MECHANICAL ENGINEERING DEGREE FROM THE UNIVERSITY OF WASHINGTON,
SEATTLE, WASHINGTON. AFTER
THE COMPLETION OF HIS US EDUCATION, SIDHU WORKED FOR THE BOEING
COMPANY FOR ABOUT SIX YEARS. HE IS KNOWN TO BE OPERATING A
SMALL UNIT ENGAGED IN THE MANUFACTURE OF WIRE-WOUND RESISTORS,
SPECIAL TRANSFORMERS AND COILS FOR TV. SIDHU IS A VERY IMPRESSIVE
PERSON AND HAS GOOD OFFICIAL AND SOCIAL CONTACTS.

5. PROPOSAL: THE PROPOSAL CALLS FOR THE PRODUCTION OF 2,000
TO 2,500 IMPLANTABLE PACEMAKERS A YEAR. HMI PROPOSES TO ESTABLISH
THIS PLANT NEAR CHANDIGARH WHERE ALL INFRASTRUCTURAL FACILITIES
ARE AVAILABLE. TOTAL COST OF THE PROJECT IS ESTIMATED TO BE
DOL\$800,000. PRESENTLY INDIA DOES NOT PRODUCE IMPLANTABLE PACE-
MAKERS. KNOWLEDGEABLE INDUSTRY AND GOVERNMENTAL SOURCES PLACE
INDIA'S CURRENT ANNUAL REQUIREMENT AT 1,000 UNITS. THESE SOURCES
FURTHER ADD THAT IF THE EQUIPMENT BECOMES DOMESTICALLY AVAILABLE,
ITS CONSUMPTION IS EXPECTED TO INCREASE SUBSTANTIALLY.

6. DURING HIS NOVEMBER-DECEMBER 1975 U.S. VISIT, ANAND K.
SETHI, DIRECTOR, SMS, WAS INTRODUCED TO JAMES BAUSTRET, VICE
PRESIDENT, CARDIAC PACEMAKERS, INC., 1140 RED FOX ROAD, ST.
PAUL, MINNESOTA 55112 BY THE MINNEAPOLIS DISTRICT OFFICE
OF COMMERCE, SETHI INFORMS US THAT CPI HAD INDICATED A POSITIVE
INTEREST IN THE PROJECT.

7. ACTION REQUESTED: USDOC IS REQUESTED TO ASCERTAIN CPI'S
CURRENT INTEREST IN THE PROJECT. THE INDIAN PROMOTERS OF THE
PROJECT ARE VERY KEEN TO IMPLEMENT THIS PROJECT AT AN EARLY DATE.
IF CPI DOES NOT EVINCE INTEREST, PLEASE BRING THIS PROPOSAL TO
THE ATTENTION OF SUCH U.S. COMPANIES AS ARE KNOWN TO BE INTERESTED
IN ESTABLISHING A LICENSING ARRANGEMENT WITH HMI. INTERESTED
U.S. FIRMS SHOULD CONTACT ANAND K. SETHI,
DIRECTOR, SMS, DIRECTLY.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 08 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976NEWDE05165
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760132-1229
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760483/aaaacstf.tel
Line Count: 98
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MartinML
Review Comment: n/a
Review Content Flags:
Review Date: 15 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 JUN 2004 by SilvaL0>; APPROVED <04 JAN 2005 by MartinML>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INVESTMENT OPPORTUNITY: SMS ASSOCIATES PRIVATE LTD. SEEKS U.S. TECHNOLOGY TO PRODUCE PACEMAKERS
TAGS: BEXP, IN
To: COM
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006